

## APPENDIX A.

The Conference.

Messrs. SIEMENS BROTHERS to the COLONIAL SECRETARY, Queensland.

SIR,—

12, Queen Anne's Gate, London, S.W., 24th August, 1876.

In the printed papers relating to Telegraph Cable Negotiations, headed "1876, New Zealand," which have been forwarded by the Government of New Zealand to the Governments of each of the Australian Colonies, we find under No. 18 the copy of a letter purporting to be addressed to us by the Hon. J. Vogel and Sir D. Cooper, under date of 21st May, 1875, which letter has never reached our hands.

It is obvious from the tone and contents of that communication that we could not have allowed the same to have passed without our protest, had it ever reached us.

On the other hand we find that an important letter addressed by us to the Commissioners, and handed by special messenger to each of them, has been omitted from the correspondence.

The following is a copy of the same :—

"SIR,—

"Queen Anne's Gate, London, S.W., 7th May, 1875.

"We have the honor to hand you herewith printed copy of the memorandum, articles of association of the Indo-Australasian Telegraph Company (Limited), which has been formed by the several gentlemen who have hitherto acted in concert with us, with a view of establishing a second and independent telegraphic communication between India and Australasia.

"We are authorized to say that the promoters of the above Company, whose names are affixed to the memorandum, articles of association (as per enclosed copy), are prepared to enter into negotiations with you and the representatives of New South Wales and Queensland, on the subject of the assistance intended to be granted by the Colonial Governments interested in the furtherance of the undertaking.

"We shall be glad to hear that you are willing to negotiate with the Company on the subject, and any communication you will honor us with we shall have great pleasure in submitting to them.

"The Premier of New Zealand."

"We are, &c.,

SIEMENS BROTHERS.

We consider it a duty to ourselves to call your attention to the above.

And have, &c.,

SIEMENS BROTHERS.

## No. 2.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

4th April, 1877.

SIR,—

In the report of the Cable Conference which has been sent to me from Sydney, I notice some extraordinary statements made by Captain Audley Coote concerning the cable negotiations which took place in 1875.

Correspondence  
respecting Mr.  
Audley Coote's  
Evidence. See  
pp. 25 to 28.

2. The object of these statements appears to be to imply that Messrs. Siemens Brothers were unfairly treated, and that whilst negotiations were pending with them I made an agreement with another company. Captain Coote also produced a letter from Messrs. Siemens Brothers, from which it appears that those gentlemen complain of not receiving a letter which appeared in the printed correspondence presented to the New Zealand Parliament, and that they further complain that a letter of theirs was not published. To deal with the last complaint first, I have to observe that I distinctly remember that the letter was signed by me; that Sir Daniel Cooper remembers signing and sending it, and that it must have been a strange accident, of the nature of which I am totally unaware, that interfered with its reaching Messrs. Siemens Brothers. Concerning the non-publication of their letter, I can only suppose it was not considered worth while to publish it when the papers were prepared. It was a letter enclosing some bulky articles of association of a new company. Its date was a month subsequent to the time when the three representatives had broken off negotiations with Messrs. Siemens Brothers, and some days after I had come to an understanding with another company regarding the outline of an arrangement for the New Zealand and Australian cable. It therefore had no importance.

3. Concerning the other complaints, I have to observe that the representatives of the three colonies loyally adhered to Messrs. Siemens Brothers, until all chance of their carrying out the arrangement entered into at Sydney on their behalf by Captain Coote was over. I think it would be most convenient to give a brief history of the circumstances.

4. At Sydney, early in 1873, an agreement was entered into with Captain Audley Coote, by the representatives of New South Wales, Queensland, and New Zealand, subject to the approval of the several Governments, for the construction of a cable between Normanton and Singapore, and between New Zealand and Australia. That agreement was ratified in New Zealand the same year by an Act of Parliament, which also gave a power to the Government, should the agreement not be carried out, to enter into an arrangement for a New Zealand cable only. The agreement was not ratified by the New South Wales Parliament until June in the following year. In reply to some pertinent questions put by Mr. McLean to Captain Coote, as to the value of any agreement he might enter into, Captain Coote endeavoured to make out that the delay in the ratification was the reason for the agreement he entered into not being carried out. I can reply to this, that when Captain Coote knew I was going Home to complete the arrangement, he gave me to understand his principals were still ready to carry it out.

5. On my arrival in England, Sir Daniel Cooper, representing New South Wales, Mr. Daintree, acting for Queensland, and I, entered into prolonged negotiations with Messrs. Siemens Brothers. Captain Coote insinuates that the arrangement fell off on immaterial points connected with the course of the cable. It so happens that Sir Daniel Cooper and I were inclined to agree with Messrs. Siemens Brothers concerning the route, but on Mr. Daintree telegraphing out, the answer he received was, "Government insist on separate line *via* Macassar, otherwise contract not to be entered into." The arrangement, however, did not go off on this point, but it came to a conclusion because Messrs. Siemens Brothers found that the gentlemen with whom they were working could not agree to the terms arranged by Captain Coote and sanctioned by the three Parliaments. One of the conditions of the arrangement was that all receipts in excess of £12,000 should pass in reduction of the subsidy. This